part II

G. R. S. 58]

Previous references. 1924-5 Sec'l

File No. 6-24

Serial Nos. 1

Later references. 1

~~Destroy~~ Preserve

(32)

GENERAL AND REVENUE SECRETARIAT.

Serial Nos.

Part B for June 24

SUBJECT

Proposals re formation of a syndicate to work out chrome ores in the State

(1

G. R. S. 11] 1924-25

GENERAL AND REVENUE SECRETARIAT.

(Rev)

NOTES.

File No. 6-24

FILE HEADING.

Proposals regarding the formation of a Syndicate to work out the Chrome areas in the State.

From

The Mysore Development Syndicate

No. Letter Dated 28/6/24 Received 3/7/24

Diary No. 24	Enclos.	Spare Copies.	Serial No. 1

BRIEF ABSTRACT OF LETTER.

Submits proposals regarding the formation of a Syndicate to work out the Chrome areas in the State.

NOTES AND ORDERS.

Hon. Mr. L. V. Sadhanandaiya submits proposals for the formation of a Syndicate for working the chrome areas on behalf of the Development Syndicate

Submd. 3/7/24 Rev Secy

SMR 3/7

NOTES—First Sheet.

Assistant Legal Adviser

G. R. S. III-2.

General and Revenue Secretariat.

Ecl File No. 6. of 19 24

Serial No.

As desired by the Rev Secy Law abstracts below in connection proposals made by various applicants for mining rights for Chromite in this State. and the Director of Geology, Industries & Commerce, in case a joint Stock Company is permitted to be floated —

28/5

Rev Secy,

G. R. S. III-2.

General and Revenue Secretariat.

Chrome Mining

File No. of 19

Serial No.

Terms for proposals regarding the ~~grant~~ of Royalty on chrome, under the prospecting licenses ~~that~~ to be granted are given below for the consideration of Government in ~~this~~ connection: ——

1) Mr Manickavelu Mudr.

(Flag A)

Payment of usual royalty (the Government to fix) to Govt plus one third of net profits before providing for reserve or other funds

2) Mr Bocquet, Chief Insp of Mines who was also in charge Chrome Mines in the State of Mysore

(Flag B)

Royalty to be based on a sliding scale according to the grade of ore and price obtained

3) Mr Singri Nair of the

(Flag C1)

Says that he is prepared to float a joint Stock Co if Govt desire it and to guarantee to Govt a net profit of Rs 5-8-0 per ton of chrome sailed in addition to Royalty instead of 25% of net profits

(Mr Nair says these terms are more advantageous to Govt and to the State than those of Messrs Lakshmanan Chetty & Mudaliar who offer Rs 5/- per ton)

(ordinary Royalty is Rs 1-8-0 per ton)

NOTE—Contn. sheet

G. R. S. III-2,

General and Revenue Secretariat. | File No. of 19

Serial No.	
4 M/s Lakshmiah Bly & C.B. Devaraj (Flag D1)	Royalty at Rs 5/- on every ton of 18 Cubic ft on Railway Weight, including the present royalty of Re 1-8-0 per ton (Director says that 18 Cubic ft is a ton is taken a high figure and now usually 14 to 15 cft should be taken to one ton) (This report in the above file)
5. Director of Ete. (Flag E1 Fen Nos 73/1925)	In addition to the Royalty the proprietors will be entitled to one fourth of the net profits made by the Company should the assigned to Govt Annually
6. Director of Geology (Report on the proposals of Dr Fyfe. Pamphlet) (Flag F1)	Royalty may be raised to Rs 2/- per ton (i.e double the present rate) and the Company to be floated made to pay 5% of the dividend declared as in the case of the Kolar Gold mining Companies
7. Other applicants for prospecting licences for individual blocks. (Files put up below)	Prospecting licences are issued under the Govt of 26.4.24.

SMR
28/5-

NOTE—Contn. sheet.

G. R. S. III-21

General and Revenue Secretariat. | File No. of 19

Serial No.

The papers relating to the applications received for Chrome Blocks are herewith put up. A statement showing the blocks for which applications have been received, the applicants for each block and the recommendations of the Director of Geology has been put up for ready reference.

The main points for consideration are:

~~Firstly~~ to whom these licenses are to be given and (2) ~~Secondly~~ what measures should be taken to secure that 25 per cent of net profits is really paid by a License Holder to Government.

As regards the first point, there are two course open. Either licenses could be issued to persons selected out of the individual applicants ~~who have submitted their applications~~ or the licenses issued to one or more Joint Stock Companies or syndicates.

The file containing the member's discussions with several gentlemen connected with the Mining Industry in the State is herewith put up. So far definite proposals have been received only from Mr Manikyavelu Mudaliar and the Director's opinion on his proposals received today is also put up. Mr. Vardamaniah has not yet submitted his proposals. When I was at Mysore last, I understood from Mr. Vardamaniah that he was awaiting a communication from Mr. Sitaramiah and that as soon as he got it, he would send his reply to Government. Messrs. Rangappa and Nanjappa have also sent up some proposals for floating a joint stock company but they are not very definite.

NOTE—Contn. sheet.

Serial No.

As regards the second point discussion has taken place as to the difficulty of securing that the accounts are properly maintained by the licensees and that the accounts are not manipulated so as to diminish the net receits in the books. In the case of individual licensees the difficulty is really serious and great.

As regards the Joint Stock Companies, the position is not really so difficult as the accounts have regularly to be maintained subject to audit and presented to shareholders. A suggestion has been made by Mr. Rangappa that instead of Government taking a percentage of profit in addition to Royalty it would be easier to recover the higher rate of Royalty and this amount could be fixed with reference to the cost of mining and the market value of chrome. The Director of Geology has submitted certain recommendations regarding the accounts that are to be maintained by licensees but the proposals are very elaborate and cumbersome and it appears to be impossible to satisfactorily to enforce their maintenance

It is therefore a point for consideration whether the Revenue to Government should not be secured in the form of increased Royalty.

Re 40/5/-

Rev. Secy's Second Note & 11.7.24. 6

G. R. S. III-2]

WD 2310- GPE—10,000—31-5-24

General and Revenue Secretariat | File No. of 19

Serial No.

of B. 3:-1)

Government in their Order No.I.C.5146-57/ Geol. 73-23-1 dated 26th February 1924 partially removed the reservation of chrome in the State and directed that prospecting licenses without the right to mining leases might be given subject to the payment of 25 per cent of the net profits in addition to royalties and other fees payable according to rules.

In response to this order applications have been received for prospecting licenses over 12 blocks. In regard to some of the blocks there have been more than one application. For instance for the Birapur-Hullenahalli block in the Chennarayapatna Taluk 6 applications have been received. For the veerapur block in the Tarikere Taluk, 3 applications have been received.

Several points have arisen for consideration in connection with the disposal of these applications. It has been suggested that instead of giving the licenses to individual applicants the concession of mining chrome may be given to a Joint Stock Company The advantages of giving the business to a Joint Stock Company are; that such a concern will be in possession of larger resources than may be available to an individual and on that account they will be able to carry on the business on a more extensive scale and in a

NOTE—Contn. sheet.

7

G. R. S. III-2]

WD 2310—GPE—10,000—31-5-24

General and Revenue Secretariat | File No. of 19

Serial No.

much more satisfactory manner. Again the levy of a percentage of the profits will be comparatively easy as the accounts maintained by a Joint Stock Company would be kept on more business-like lines than the accounts of an individual. The possibilities of floating a Joint Stock Company have been carefully considered and proposals in this respect have been received from (1) Messrs. Manikavelu Mudaliar and Son. (2) Oakley Bowden & Co., and (3) The Mysore Development Syndicate. Messrs. Desai and Lakshmaiya Setti have also offered to float a Joint Stock Company but they have not submitted any detailed proposals in this respect. Messrs. Singri Nanjappa and Rangapp have likewise made very vague and indefinite proposals.

(1) file no. 2
(2) " " 9
(3) " " 1a.
24. 7.

10.

The proposals sent by Messrs. Manikavelu Mudaliar & Son, are carefully elaborated. In fact he has sent up a draft prospectus which explains the scheme in full. The scheme relates to the exploitation of both chrome and manganese. The firm wants the following concessions in return for their paying to the Government the usual royalty plus one third of the net profits before providing for Reserve Fund or such other fund and before declaration of dividends:-

1. The right to explore and work for chrome in Chennarayapatna Taluk and for manganese in Shimoga and Chitaldrug Districts.

NOTE—Contn. sheet.

G. R. S. [II-2]

WD 2310--GPT—10,000—31-5-24

General and Revenue Secretariat | File No. of 19

Serial No.

for a period of 30 years with option to continue for a further period of 30 years.

2. No preliminary payments such as rents deposits, forest compensation etc., should be levied.

3. Concession should be given for opening Railway and Tram-lines wherever required -- all old rails, sleepers, etc., required to be replaced on the existing lines owned by the State being sold to the Joint Stock Company, at concession rates. Government lands should be given free and private lands acquired - under the Land Acquisition Act. The Forest Department should supply sleepers at concessio rates and Government should undertake to have the necessary railway service made free.

4. No tolls should be levied on carts carrying chrome ore and manganese.

5. The Joint Stock Company should be allowed to permit mining work being carried on by parties approved by them without any restrictions and the Government very promptly grant assignments or approve of any of mining work of private parties wherever necessary. The opinion of the Director of Geology has been obtained on these proposals. The proposed capital of the Company is 20 lakhs of rupees which the Director thinks it will be difficult to collect.

Messrs. Oakley Bowden & Company consider that there is very little prospect of getting money from the public for a Company of this kind. They have, however, submitted their ideas on the floatation of such a Company. Any Company that should be formed should proceed on the principle of amalgamation of existing interests as far as possible. Government should be given 25 per cent in the capital issued as fully paid. The Birapur block will be the nucleus of the proposed Company and it should be given away at a valuation to be

G. R. S. [II-2]

WD 2310—GPP—10,000—31-5-24

General and Revenue Secretariat | File No. of 19

Serial No.

~~to be~~ mutually agreed upon 25 per cent thereof going to the Government in the form of fully paid-up shares and 75 per cent to the Oakley Bowden and Company. In consideration of this Messrs Oakley Bowden offer to throw into the Company all licenses and stocks now held by them at a valuation by competent mining engineers. Messrs. Manikavelu Mudaliar & Son should also be given an opportunity to come in with their concessions on the same terms. The Managing Agency should be given to Messrs. Oakley Bowden & Co., No licenses for chrome in the State should be issued except to this Company andto enable systematic development all licenses should be given for a period of 30 years. Amount required for cash payments and for developments should be decided upon and -- offered for subscription to the Mysore Public. Government should nominate one or two members of the Board of Directors. The Company should have the backing and support of all Departments of the State.

These two proposals which come from the two important parties interested in chrome mining in Mysore at the present moment have certain common features. For instance each of them wants the Managing Agency of the new Company that it is proposed to float. This is a matter which is likely to involve considerable amount of controversy and will militate

G. R. S. III-2]

WD 2310—GPP—10,000—31-5-24

General and Revenue Secretariat | File No. of 19

Serial No.

against consolidation of all interests now existing in the chrome mining industry. Messrs. Oakley Bowden & Company practically want to snap up the Birapur block as a consideration for their share in the floatation of the Company

The scheme proposed by the Mysore Development Syndicate does not look to be a very business-like proposition. They want that Government should sanction mining licenses in favour of the Syndicate for a period of 30 years over all the chrome areas in the State. They do not however say anything as to how existing leases and licenses should be dealt with. They promise to give 25 per cent of the net profits together with a royalty of As. 8 per ton of ore exported. Under the Government Order of February last the amount payable by a licensee is ~~xx~~.the usual royalty - Rs.1/8 per ton of ore plus 25 per cent of the net profits. As an alternative the Syndicate suggest that if the Government are prepared to guarantee 7½ per cent interest on their investments which are estimated to amount 3 to 4 lakhs of rupees the Syndicate would be prepared to pay to Government 50% of the net profits.

These are the main proposals that have been received with reference to the floatation of a Company Having regard to the existing

NOTE—Contn. sheet.

G. R. S. [II-2]

WD 2310—GPT—10,000—31 5-24

General and Revenue Secretariat | File No. of 19

Serial No.

position of the chrome industry in which important concessions are held by Messrs. Manikavelu Mudaliar & Son and Oakley Bowden & Company and the difficulty of reconciling these interests and consolidating them in a single concern it is very doubtful if it will be possible to float a Company which can undertake the exploitation of the entire chrome resources in the State. If the existing interests are to be left out of account and a Joint Stock Company is to be floated only for the exploitation of the chrome areas for which no leases or licenses till now been issued, the result may not be successful as the Company will have to meet the competition of the existing lease-holders who are holding their leases over fairly important areas ~~concession~~ subject to the payment of a smaller royalty (12 annas).

Having regard to all the circumstances of the case the prospects of floating a Joint Stock Company do not seem to be very promising

The next point for consideration is how should ~~xx~~ the available blocks be disposed of if they are not to be given to a Joint Stock Company. Recommendations have been received from the Director in respect of each block and orders will have to be passed in each particular case, having regard to all the circumstances of the case. In regard to the

Serial No.

the general question of the principles upon which this selection should be made Government have already passed an order.

no. d. C. 6626-37/Genl. 73-22-12 dt 25/4/24 Hons C (File no 1)

Another important point for consideration is about the accounts etc., that should be maintained by licensees holders in order to facilitate the levy of the 25 per cent of the Government share of proifts. The proposals made in this respect by Mr. Sen are very elaborate and they do not seem to be capable of being easily enforced in the case of indidual license holders of the usual kind. In order to avoid these difficulties and at the same time to secure to Government an equal share in the profits of the industry, Mr. Sen has sent up an elaborate note explaining the principles upon which a sliding scale of royalty may be fixed. He has given four alternative schemes out of which the last one suggestion No. IV 4 seems to be the least complicated. This suggestion may perhaps be tried

File no. 5

JRH

There is another suggestion that has been put forward. viz to secure the increased revenue without the levy of 25 p. c of the profits is expected to bring in. This is to levy an increased rate of royalty. But

NOTE—Contn. sheet.

General and Revenue Secretariat. | File No. | of 19

Serial No.

File no 10
7

Shagn Ranjappa Offers Rs 5/8 per
ton, whereas Desai & Lakshmi Se
offer 5 Rs a ton. The advantag
of a steel leg are that it
can be easily removed, that it
is efficient & that it can
easily collected Evasion will b
difficult. As regards the amounts
suggested, they appear to be rath
high. While the higher Grades
or may stand this levy, it
will kill all attempts to exp
in their ores. and the bulk
our ores is of inferior gr
The idea of levying a Consolida
levy in the form of an ex
however royalty has a great d
in its favour if the Ge
Govt finds favour a reason
Amount can be fixed have
regard to the profits on ore
of average Quality

P.M. 7

[signature]

S'LaU

Statement showing Names of applic

Serial No.	Particulars of block		Applicants for the block	
	Taluk	Village	Name of applicant	Date of application
X	Chennarayapatna	1 Bayrapura-Hullenahalli area	1. Mysore Chromite Co (2½ Sq miles) Ltd	24·2·24
6			2. Messrs: V. Manicka - Valu Mudaliar & Sons (1 Sq Miles)	4·3·24
			3. T. Lakshmaiya Setty & C. B. Desai (Area not specified)	1·5·24
			4 Rel. B. Rangappa	22·3·24
			4a " Singri Nanjappa (1 Sq Miles)	16·5·24
			5 C. M. Garuda char (4 Sq. Miles).	29·2·24
X	Tarikere	2 Virapura-Bandre (area)	1 Mr. Pattaghatte - Adevappa (4 Sq Miles)	8·3·24
13 & #14			2. A. G. Senapathy (4 Sq miles)	28·2·24
			3. A. Pitchaiya Naidu (2 Sq. miles)	18·3·24
X	Chennarayapatna	3 Rangana-halli Block (1 Sq. Mile)	Messrs: Oakley Duncan & Co	
8	Arsikere	(Sunkadahalli) (1 Sq Mile)		

Col. B

Stone for Chrome Licenses pending disposal

Remarks

The Dist. of Geol. says that in case Govt. cannot consider their claims, the case may be disposed of in favour of Sl. 5.
Their proposals for forming a Syndicate do not have been received

The Dist. of Geol. says that the proposals deserve a fair & careful consideration of Govt.

Not recommended
Recommended

Vide remarks against Sl. (1).

Financial abilities of Sl. (1) are superior to the others & recommends in favour of Mr. P. Adiwasfia.
(Geol. 47-23-B)

Sub. to Govt on 13.5.24

4	Davangere	Honnali (4 Sq. miles)	1 Mr. A. G. Venkatesha	1.3.24
13&14			2. A. Pitchaiya Naidu	Not Issued
5	Tarikere	Shivani (4 Sq. miles)	1. Mr. P. Adivappa	8.3.24
14				
6	Mysore	6 Doddakatteri Inam Village & Co.	1. Mr. C. M. Gowda (2 Sq. miles clear)	
			2. Mrs: Khanim Begum Saliba (2 Sq. miles)	
12. 7 (a)	Nanjangud	7 Doddakanya (3 3/4 Sq. miles)	1. Mr. T. C. Butler	4.3.24
(b)	Chamarajanagar	8 Attigundla (2 1/4 Sq. miles)	do	4.3.24
(c)	Mysore & Nanjangud	9-10 Two Blocks (1 1/2 & 2 Sq. miles)	2 do	7.6.24
		1		

Recommends in favour of (1) as the financial condition of (2) is not satisfactory. (Genl 27-23)

Recommendation from the Director not received.

Recommendation is made
(Genl. 47-23-5)

Subject to Lic. Co's con 12 5-24

Recommends.

Recommends.

P T O

8 & 13	Channarayapatna	Blocks north of Byrapur	1. Mr. A. G. Senapathy (2 Sq. Miles) 2. " C. Rs. Gowda " " (4 Sq Miles. Vide Byrapur Hullahalli Block particulars).	16.3.24
9 11	Tarikere, Holalkere & Channagiri Taluks	2 4 Sq. miles in blocks adjoining the Taluks in (Harihalli & Thumbadahalli villages)	1. Mr. B. Sripada Rao. (4 Sq miles).	17.4.24
	Mysore & Nanjangud	Chickathur Holakere Hyundi and Dura. 2 Sq miles.	Mr. A. G. Senapathy	

Recommends the grant of a p.l. in Case
for Gerrard Cheer's application for Byroad
- Huttendahlli area is rejected. (Geol. 27-23-4)

Recommends the grant of a p.l.

Sl. No	Name of applicant	Name of Block applied for	Date of application.	Remarks.
	The Nellore Development Syndicate (Contd)			working for Chromite ore over the whole State for a period of 30 years. The Syndicate to pay to Govt. 25 p.c. of the net profits together with a royalty of annas 8 per ton of ore exported. If Government were to guarantee 7½ p.c interest on their investment (3 to 4 lakhs) the Company would pay 50 p.c. of their net profits. The Syndicate to be given full liberty to form a private company to work the areas or to subscribe among the members of the Syndicate.
	Mr. T. Lakshmana Chetty and others. C.B. Area	Byrapur	1.5.24.	Offer to float a joint stock company. Names not given. Submitted detailed proposals. Offers to pay royalty at Rs 3-0-0 per ton
	Mr. B. Ramappa alias Singri Naiyappa	B-6.	22.3.24 to 16.5.24	Offer to float a Company; their proposals submitted are very vague. Also incomplete. Offers to pay royalty ~~at Rs 1-8-0 per ton~~ in addition to the royalty of Rs 1-8-0 per ton a net profit of Rs 5-8-0 per ton instead of 25 p.c. profits.
	Mr. C.M. Ramadasa (1) Byrapur (2) Doddakattur (Kuam village Kuyson 24) (3) Block north of Byrapur		29.2.24.	
	Mr. P. Adevappa	Veerapur	8.3.24	

Mr. A. G. Lenapathy	(2) Tarikere Shivani- so- (1) Do	28. 2. 24
	(2) Heddani Davangere Tk	1. 3. 24
	(3) Block north of Bepapur	14. 3. 24
	(4) Block (2 sq miles) in ~~Do~~ the Mysore & Nanjangud Taluks.	18. 3. 24.
Mr A. Pitchaiya Naicker	(1) Veerapura Pk (2) Heddani (Davangere Tk)	
Mr. Khani Begum Sahiba.	Boddakotteri (Duraan village Mysore Dt)	
Mr. T. C. Butler	(1) Boddakanya (Nanjangud Tk)	4. 3. 24.
	(2) Attipunda (Shimoga Tk)	4. 3. 24
	(3) Two Blocks in Mysore & Nanjangud Taluks	7. 6. 24
Messrs Oakley Board & Duncan & Co.	(1) Ranganahalli Pk (Chennagiri Taluk)	
Mr B. Shripadarao	(2) Sunkasahalli Pk (Arsikere Tk) 489 Sq. miles in blocks in Tarikere, Holekere & Chennagiri Taluks.	17. 4. 24

Under G. O. No. Ire. 5146-57/22-23-1 & 26-2-24

(A) List of applicants for prospecting and mining licenses for Chromite

Sl. No.	Names of applicant	Name of Block applies for	Date of Application	Remarks etc. Terms offered etc
	The Mysore Chromite Ltd. (Messrs Oakley Bowden & Co. Managing Agents)	Byrapur (Kullenahalli Chennarayapatna Taluk.	24:2:24	Offer to float a Company on the following conditions.— (1) The existing interests shares as far as possible be amalgamated with the new Company to be started. (2) Govt. to be given 25 p.c. in the capital as fully paid up. (3) The Byrapur block to be the nucleus of the proposed Company (4) Messrs. Oakley Bowden to be the Managing Agents (5) The above Company to throw into the new Company all licenses and blocks now held by them at a valuation by Competent Engineers and that Messrs Manickvelu & Son also to be given offered the above terms if they join (6) No other company licenses for Chromite in the State shall be issued except to this new Company and the licenses should be for a period of 30 years. (7) Govt. to nominate two members of the Board of Directors (8) Amount required for Cash payment and development to be decided and offered for subscription to the public of Mysore.
	Messrs. V. Manickvelu Mudaliar & Son.	— Do —	4:3:24	Offers to float a Company with a capital of 25 lakhs and wants the following Concessions (1) There should be given the right to explore and work for Chrome

(1)

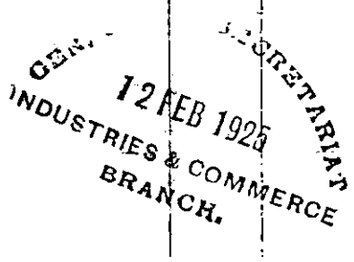
		in Chemmanyapatna Taluk and for Manganese in Shimoga and Chitaldrug Districts for a period of 30 years with option to continue for a further period of 30 years. (2) Messrs. Manickvelu & Son to be Managing Agents. (3) No preliminary payments such as rents, deposits etc. shall be levied. (4) Concessions shall be given for opening railway and Tram lines by giving Govt. lands free and acquiring private lands wherever necessary and by supplying sleepers at concession rates besides giving the Company at cheap rates Rails and Sleepers etc. of the State Railway lines. (5) No tolls to be levied on carts carrying ores and manganese ore. (6) The Company shall be allowed to permit parties approved by them to carry on mining work without any restrictions. (7) In return for the above concessions the Company shall pay to Govt. the usual royalty and ⅓ of the profits before providing for reserve fund & other funds and declaring dividend.
The Mysore Development Syndicate. (Messrs. Varadamanaik M. Gowdachar & others).	1. 5. 24	Offers to float a company on the following conditions:- They shall be given practically the monopoly of—

24

R. S. III-2]

General and Revenue Secretariat. Ref File No. 6 of 19 24

Serial No.	
	Finals orders of Govt. were issued in Ref 87-23 & Separate orders were issued in Individual Cases as well This may be licensed Parties no orders 12/2/25



90

TELEGRAMS: "MYCATE, MYSORE."
CODE: "A. B. C. 5TH EDITION."

THE MYSORE DEVELOPMENT SYNDICATE.

MYSORE,
SOUTH INDIA.

REFERENCE
82

1st May 1924.

K.V. Anantaraman, Esq., B.A.,
Revenue Secretary to the Govt. of Mysore,
Bangalore.

Sir,

With reference to the personal conversation the undersigned had with you regarding the Chromite areas in the State, the Syndicate is under contemplation of submit ting a proposal for working the areas. We have written to our Mr. B. Sitaramachar regarding certain details and as soon as the necessary data is collected the proposal will be submitted to Government for consideration.

We beg to remain,
Sir,
Your most obedient servants,
THE MYSORE DEVELOPMENT SYNDICATE.
M. Venkatanarayanaiah

MC.

CONFIDENTIAL

Notes of Member's discussion with

1. Mr. Manikavelu Moodr., on 28-4-1924
2. " B. K. Garudachar - 28-4-1924
3. " C. B. Oakley - 30-4-1924

SUBJECT:- THE prospect of floating a Joint Stock Company to exploit the Chrome resources in the State.

NOTES OF MEMBER'S DISCUSSION WITH Mr. MANIKAVELU MOODALIAR ON MONDAY THE 28th APRIL 1924.

THE prospects of floating a Joint Stock Company to exploit the Chrome resources in the State were discussed.

Mr. Manikavelu Moodaliar was of opinion that there was a great chance for floating such a company. He is now getting Rs.6 to 12 per ton of ore at the pits mouth. The highest price that he has been able to secure this year was Rs 15 per ton. But that was ore of superior quality containing 48 per cent of chrome. The price of the ore varied according to the quality. The standard of quality was that which contained 48 per cent of the mineral. For every one per cent in excess of this 48 per cent which is counted as a unit an additional Rs.1-8-0 could be obtained. Mr.Manikavelu observed that in the trade as at present organised there were two stages in the disposal of chrome. He is himself selling the bulk of the ore at the pits mouth to different people and it brought him a net profit of about Rs.5 per ton on the average. The people who purchased the ore from him sold it to the foreign companies free on board at the profits. This transaction would give them a profit of Rs.5 to 10 per ton. Mr.Manikavelu himself was doing the second

stage of the operation also, but that involved the investment of a large capital and there were other difficulties which often-times ate up the profits. He is now selling the ore at the pits mouth. If a company with an adequate capital could be organised it could undertake both items of work. Again the organisation of such a company would make it possible to maintain the prices at a high level. Mr.Manikavelu owns important group of chrome mines and it is necessary that the operations carried on by him should be regulated by an understanding with the proposed company. Otherwise Mr.Manikavelu; holding as he does an important group of mining blocks and paying rents and royalties under the old rules which are considerably more favourable than the present rules, would be in a position to under-sell and cause loss to the new company. Mr Manikavelu expressed his - willingness to come to an understanding with the company - for instance, that the company should handle all the sales and fix the prices - a definite proportion of the quantity sold being drawn from Mr. Manikavelu's mines.

Mr.Manikavelu considered that 25 lakhs was about the minimum that would be required, and that shares should be of the value of Rs.2. Government would be given one-third share of the profits before - making any deductions for the Reserve Fund or payment of dividend. He promised to

work out the details and submit his proposals in the form of a draft prospectus before the 1st of May

No.2. NOTES OF MEIBER'S DISCUSSION WITH Mr. B. K. GARUDACHAR, ON MONDAY THE 28th APRIL 1924.

Mr.Garudachar was consulted as regards the desirability of floating a company. He expressed that he was in sympathy with the idea. He stated that he was in possession of all the available literature on the subject and that there were good chances of the concern proving a success. Asked if he would be willing to interest himself in the matter, he expressed himself willing to do so but asked for a little time so that he might consult his partners in the Mysore Development Syndicate, such as Mr.Vardhamaniah Mr Sitaramachar and Mr.V.Ramalingam. He promised to let Government hear again in the course of about three weeks.

Mr.Garudachar observed that certain main principles would have to be borne in view in floating the new company. There were at present several people who held concessions for mining chrome in the State, the most important of whom was Mr.Manikavelu Moodaliar who hold the Bhaktarvalli group of mines in Chennarayapatna which contained the large supply of ore. For any new company that might be floated it would be necessary to arrive at an understanding with Mr Manikavelu as otherwise the latter would be in a

position to put great difficulties in the way of the new company. If he - should be induced to participate in the new company and arrive at an understanding with reference to his own group of mines the position would be quite sound.

NOTES OF MEMBER'S DISCUSSION WITH Mr. C. B. OAKLEY ON WEDNESDAY THE 30th APRIL 1924.

Mr. Oakley was very difident if it would be possible to float a company and attract the required capital. Past history was against it and also the experience of such concerns as the Peninsular ~~Manufacturing~~ Mineral Company, the Mysore Chromite etc. Further he was of opinion that in mining matters more satisfactory results could be achieved by dealing with individual prospectors and miners whose self-interest would lead to better results for themselves and Government. He added that it was always his idea to float a company to attend to the exploitation of minerals and that if any proposals in this direction were afoot he would be glad to join it and if necessary also throw in the concessions that the companies that he represents now hold in Mysore.

28

Genl b - 24 - 1

TELEGRAMS: "MYCATE, MYSORE."
CODE: "A. B. C. 5TH EDITION."

THE MYSORE DEVELOPMENT SYNDICATE.

REFERENCE
15C

MYSORE,
SOUTH INDIA.

28th June 1924.

K.V. Anantharaman, Esq., B.A.,
Revenue Secretary to
The Govt. of H.H the Maharaja of Mysore,
Bangalore.

Sir,

In continuation of our application No.82 of the 1st May this year, we beg to submit the following proposition for working the Chrome areas in the State for favourable consideration of the Government:-

1) That Government should sanction Mining License in favour of the Syndicate fixing the time limit for a period of thirty years, over all the Chrome areas in the State

2) The Syndicate will start work selecting one or two areas, out of the areas

areas so sanctioned, which are near to the railway station, at first, and will gradually arrange to work the other areas in the State.

3 The Syndicate undertake to carry out the mining work on scientific lines on an extensive scale to the best interests of the State

4) The Syndicate, if found necessary after working the areas for some time, will arrange to lay out tramway for the transportation of the mineral to the railway station.

5) The Syndicate should be given full liberties to form a private company to work these areas or to subscribe among the members of the Syndicate

6) If these concessions are granted, the Syndicate are prepared

to pay to Government twenty-five per cent of the net profits, together with a royalty of eight annas per ton of ore exported,

OR

If the Government are prepared to guarantee 7½ per cent interest on our investments, which, we estimate, will come to about three to four lacs of rupees, the Syndicate are prepared to pay to Government fifty per cent of the net profits.

We shall be obliged if you will kindly let us know the decision of the Government in the matter.

We beg to remain,

Sir,

Your most obedient servants,

THE MYSORE DEVELOPMENT SYNDICATE

M. Y. Venkatramaiah

B. K. GARUDACHAR.

95 BANGALORE CITY

28th June 192 4

Dear Sir,

As promised we are arranging to send our proposal about chrome to-day and it will reach you to-morrow. For your information I herein give you the conditions which we propose to give to the Government for consideration.

Yours sincerely,

B K Garudachar

To,

K.R. Srinivasiengar, Esq., M.A.,

2nd Member of Council.

So dear Sir, I am sending the complete proposal by 28/6

1) That Government should sanction Mining License in favour of the Syndicate fixing the time limit for a period of thirty years, over all the Chrome areas in the State.

2) The Syndicate will start work selecting one or two areas, out of the areas so sanctioned, which are near to the Railway station, at first, and will gradually arrange to work the other areas in the State.

3) The Syndicate undertake the carry out the mining work on scientific lines on an extensive scale to the best interests of the State.

4) The Syndicate, if found necessary after the working areas for some time, will arrange to lay out tramway for the transportation of the mineral to the railway station.

5) The Syndicate should be given full liberties to form a private company to work these areas or to subscribe among the members of the Syndicate.

6) If these concessions are granted, the Syndicate are prepared to pay the Government twenty five per cent of the net profits together with a royalty of eight annas per ton of ore exported, or, if the Government are prepared to guarantee 7 per cent interest on our investments, which, we estimate, will come to about three to four lacs of rupees, the Syndicate are prepared to pay the Government fifty per cent of the net profits.